

## **Local Government and Private Fleet Workshop**

National Renewable Energy Laboratory

August 22, 2000

Attendees primarily included representatives from states, city governments, and Clean Cities coalitions, plus one municipal utility. Representatives attended from primarily from Colorado, but also from California, Louisiana, Kentucky, Kansas, Oklahoma, Arizona, Washington, Oregon, and Missouri.

### **Options Presented**

- Issue no requirements
- Issue a rule with requirements solely based upon EPA section 507(g) - AFV acquisitions
- Issue a rule based on 507(g), but with an alternative compliance path which allows for credit toward requirements by either acquiring AFVs or using alternative fuel (Fleet Rewards Program)
- Issue a Replacement Fuel Rule requiring covered private and local government fleets to have certain percentages of their light-duty fuel use be replacement fuels, which include both alternative fuels and the non-petroleum portions of blended fuels
- Extend eligibility for generating credits from flexible programs (Fleet Rewards or Replacement Fuel) beyond covered private and local fleets, such as to State fleets, smaller fleets, or non-MSA-located fleets.
- Issue requirements for Transit Bus Fleets

### **Summary of Major Discussion Points**

- As with the Chicago workshop, the consensus was that DOE should do something, sooner rather than later. One Clean Cities coordinator pointed out that a number of fleets joined the coalition because of potential future mandates, and that there really needs to be some sort of mandate to get people to do something.
- Whatever requirements are imposed, however, should be tied as closely to environmental goals/requirements (Clean Air Act Amendments) as possible, to strengthen rationale as well as to ease compliance with multiple programs.
- The general feeling was that whatever requirements are imposed need to ramp up slowly to allow fleets time to plan their acquisitions or how to obtain fuel (depending on the option). This would mean have requirements relatively low for a few years and then increase slowly. No indication was provided concerning a maximum requirement level for any of the options.
- There was a general concern on infrastructure - not only refueling but also maintenance and training. Several indicated that this was a critical area for funding, and perhaps a very appropriate element given DOE's funding desires and constraints. One representative suggested that alternative fuels certification be required for technicians seeking ASE

Master's Certification as a method to improve the availability of trained technicians. Actually being able to find the correct fuel reliably was mentioned several times as a concern. Some felt that the situation was not simple enough to just mandate fuel use, and leave it up to fuel providers to make everything work. Fuel providers are not seen as jumping in to provide a variety of alternative fuels. In addition, the relative lack of data standards is a barrier - alternative fuels purchased often simply are reported as "other".

- There were a few general questions concerning DOE's commitment to enforcement of existing regulations. Attendees were informed concerning the phases of an enforcement program, and told that DOE is committed to enforcement.
- One Clean Cities coordinated described the Replacement Fuel Program as the most elegant option - flexible, yet simple, and targeted at the goal of alternative fuel use.
- Transit buses surfaced several times, with an emphasis on local air quality issues. Several attendees felt it would be easier to sell the overall program if transit buses were included, since they would specifically make local air quality programs more likely to achieve success.
- There were mentions of a number of state and local programs, mostly in terms of mandates and a few incentives. SCAQMD's recent mandate for fleets is targeted at all light-duty fleets and some specific heavy-duty fleets (street sweepers, refuse haulers, airports, and other HDVs). The feeling was that it really targeted heavily at diesel fuel vehicles.
- There was some confusion on the part of a few attendees concerning who might be covered under new requirements. DOE provided a discussion concerning the fleet size and location criteria. Most of the attendees confused were actually from areas which would not be covered, and when informed of that, expressed their interest in receiving credits for actions already taken.
- Similarly, several representatives from non-covered areas expressed technical concerns in the areas of performance and safety. Being from high altitude locations, they had seen significant problems with early AFVs. They also indicated that they still had many of these old vehicles (mid-1980s) in operation, and that they had real questions concerning keeping them operating on alternative fuels, especially in the winter. Several other attendees indicated that they did not think that the technologies available still had these problems, although they did represent a significant perception issue that must be addressed through education. At the same time, several key problems on the part of OEM AFVs were discussed (GM Sierra pickup production suspension and Ford NGV recall).
- Concerning incentives, infrastructure was seen as the key. In addition, one attendee suggested that DOE consider whether an applicant has demonstrated experience or a well-thought-out process when determining grant (SEP) awards. Several other attendees strongly concurred.
- There were concerns about the overall impact of potential fleet demand on OEM production decisions. In addition, EVs and neighborhood electric vehicles (NEVs) were seen as very special cases possibly needing to be addressed. Little mention was made of hybrids other than to point out that they are coming. DOE indicated that due to the difficulties in granting partial credits under AFV acquisition programs, their initial

- application might be under demand reduction programs within option 4.
- There were a few suggestions concerning combining options 3 and 4, and questions concerning separating private fleet requirements from local government fleet requirements.

## Summary of Results

- When specifically asked which options they supported, the results were:
  - Only three voted for no requirements, and two of these said if something had to be imposed, choose option 3 or 4
  - The largest number favored fleet rewards (option 3), followed closely by replacement fuel (option 4)
  - Many wanted to see extension of credits to non-covered parties
  - Almost as many also wanted to see requirements for transit buses. When specifically asked, the consensus was that some requirements should be imposed for transit buses.
- Within this discussion were several specific points/observations made:
  - The majority of the representatives supporting option 3 (Fleet Rewards) were organizations currently under existing State and Fuel Provider requirements. This may be relevant since they saw that as the closest to their own program, with a small bit of flexibility added (which they also hoped to eventually benefit from).
  - Likewise, the majority of the representatives supporting option 4 (Replacement Fuel) were fleets not currently under requirements or who ultimately would not be covered (since they are outside of the covered MSAs). This option also saw a strong show of support from several Clean Cities coordinators. In general, the supporters of this option stressed the flexibility, fuel use targeted nature, and ability to grant credits for non-covered organizations as the keys to success. A few were concerned that this option might not help EVs as much.
  - In general, attendees voiced strong support for “getting at the fuel use”, and that any solution must be flexible and sustainable, requiring a high degree of all necessary participants to work together.
  - They also indicated strong support for tying requirements to clean air. Transit buses were seen as a key tie between energy and environmental goals.
  - Tax credits are complex issues to address when dealing with government fleets. Most really won’t help.
  - There was a question concerning the ability of Fleet Rewards being extended to state fleets.
  - It was suggested that a workshop be held for fuel providers and OEMs.